

**West Carroll Parish Library
Oak Grove, Louisiana**

**Basic Financial Statements
With Independent Auditors' Report
As of December 31, 2004 and for the Years Ended
December 31, 2004 and 2003
With Supplemental Information**

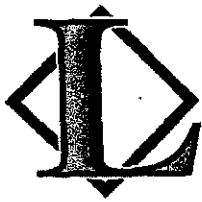
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

**WEST CARROLL PARISH LIBRARY
OAK GROVE, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2004 AND FOR THE YEARS ENDED
DECEMBER 31, 2004 AND 2003**

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report

To the Members of the Board
of the West Carroll Parish Library
Oak Grove, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the West Carroll Parish Library, a component unit of the West Carroll Parish Police Jury, as of December 31, 2004, and for the years ended December 31, 2004 and 2003, which collectively comprise the West Carroll Parish Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Carroll Parish Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the West Carroll Parish Library as of December 31, 2004, and the respective changes in financial position thereof for the years ended December 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the West Carroll Parish Library adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments* and Statement No. 37, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments: Omnibus*, as of January 1, 2003. This results in a change in the form and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2005, on our consideration of the West Carroll Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparisons on pages 3 through 8 and 22 through 24, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Leth & Associates, LLC

Monroe, Louisiana
June 29, 2005

Required Supplemental Information (Part I):

Management's Discussion and Analysis

WEST CARROLL PARISH LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2004, AND FOR THE YEARS
ENDED DECEMBER 31, 2004 and 2003

As Management of the West Carroll Parish Library, we offer readers of the West Carroll Parish Library's financial statements this narrative overview and analysis of the financial activities of the West Carroll Parish Library as of December 31, 2004, and for the fiscal years ended December 31, 2004 and 2003. We encourage readers to consider the information presented here in conjunction with the Library's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because the year ended December 31, 2003, was the first year of implementing the new reporting model, certain necessary comparative information for the year ended December 31, 2002, was not prepared. Considering the financial resources necessary to prepare the information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Library has elected to exclude the information in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the West Carroll Parish Library's basic financial statements. The Library's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad view of the West Carroll Parish Library's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the West Carroll Parish Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the West Carroll Parish Library is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave).

The government-wide financial statements can be found on pages 9-11 of this report.

Fund financial statements. The fund financial statement focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. All of the funds of the Library are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The West Carroll Parish Library maintains one individual governmental fund. Information as of and for the year ended December 31, 2004, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The West Carroll Parish Library adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 9-11 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-21 of this report.

Supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the West Carroll Parish Library's compliance with budgets for the general fund.

FINANCIAL HIGHLIGHTS

- The net assets of the Library exceeded its liabilities at December 31, 2004 by \$378,873.
- The Library's net assets decreased by \$16,800 (4%) as a result of this year's operations.

- At December 31, 2004, the Library's governmental funds reported total ending fund balances of \$240,891, a decrease of \$55,580, including expenditures for capital assets. The entire fund balance is available for spending at the Library's discretion.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net assets of the Library at December 31, 2004, are summarized as follows:

NET ASSETS

	<u>Governmental Activities</u>
Assets:	
Current Assets	\$ 272,540
Capital Assets (net of accumulated depreciation)	137,982
Total Assets	<u>410,522</u>
Liabilities:	
Accounts Payable	<u>31,649</u>
Total Liabilities	<u>31,649</u>
Net Assets:	
Invested in Capital Assets, net of related debt	137,982
Unrestricted	240,891
Total Net Assets	<u>\$ 378,873</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the West Carroll Parish Library exceeded liabilities by \$378,873. A significant portion (36%) of the West Carroll Parish Library's net assets reflects its investments in capital assets (e.g., land, building, and improvements and equipments, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The changes in net assets for the years ended December 31, 2004 and 2003, are summarized as follows:

CHANGE IN NET ASSETS

	Governmental Activities 2004	Governmental Activities 2003
Revenues:		
Program Revenues:		
Charges for Services	\$ 7,033	\$ 7,608
General Revenues:		
Property Taxes	180,855	169,659
Federal Revenue Sharing	45	-
State Revenue Sharing	17,891	18,092
State Grant	11,441	11,422
Interest Earnings	2,705	3,118
Other	8,341	8,339
Total Revenues	228,311	218,238
Expenses:		
Salaries and Related Benefits	80,693	77,801
Travel and Convention	3,862	2,199
Operating services	97,717	92,425
Materials and Supplies	11,144	8,798
Depreciation	44,967	40,464
Other	6,728	6,631
Total Expenses	245,111	228,318
Change in Net Assets	(16,800)	(10,080)
Net Assets - Beginning	395,673	405,753
Net Assets - Ending	\$ 378,873	\$ 395,673

Governmental activities. The most significant revenues of the governmental activities are general revenues (97%), which include property taxes (79%), state revenue sharing (8%), state grant (5%), interest earnings (1%), and other income (4%). Program revenues are 3% of the total revenues of the governmental activities.

Operating services and salaries and related benefits are the most significant of all governmental activities expenses.

Governmental activities revenues increased \$10,073 in the current year. The increase was primarily attributable to property tax increases.

Governmental activities expenses increased by \$16,793 in the current year as compared to 2003. The increase was primarily attributable to an increase in Operating Services and Depreciation.

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental funds. As of December 31, 2004, governmental fund balances of \$240,891 decreased by \$55,580 from December 31, 2003. The entire fund balance is unreserved, which is considered available for appropriation.

Governmental funds revenues and expenditures increased by \$10,648 and \$54,500, respectively, from the prior year. The most significant increase in expenditures occurred in capital outlay with an increase over 2003's capital outlay by \$42,210. This increase was attributable to building improvements paid for by the Library.

GENERAL FUND BUDGETARY HIGHLIGHTS

For 2004, the fund balance in the original budget decreased by \$4,003 as compared to the final budget. Total revenues increased by \$10,431 and total expenditures increased by \$14,434 from the original budget to the final budget.

General Fund revenues exceeded final amended budgeted revenues by \$6,380. General Fund expenses exceeded final amended budgeted amount expenses by \$58,252, which was attributable to additional capital outlay for building improvements not included in the final budget.

There were no significant variances between original and final budgeted amounts and between the final budgeted and actual amounts for 2003.

CAPITAL ASSETS

Capital assets. The West Carroll Parish Library's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$137,982 (net of accumulated depreciation). This investment includes improvements, furniture and equipment, and construction.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The West Carroll Parish Library does not anticipate any significant changes in its 2005 operations as compared to 2004's operations. Selected budget information for 2005 is summarized as follows:

- The fiscal year 2005 budget is forecast to provide \$211,500 in estimated revenues to fund costs of \$210,495.
- The budget includes a decreased cost for personnel expenses and retirement expenses for employees.

- The budget includes an increase in utilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the West Carroll Parish Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Clay Robertson, Director, P.O. Box 703, Oak Grove, Louisiana 71263.

Basic Financial Statements

WEST CARROLL LIBRARY
Oak Grove, Louisiana

Governmental Funds Balance Sheet/Statement of Net Assets
December 31, 2004

	General Fund	Adjustments (Note 1)	Statement of Net Assets
ASSETS			
Cash and cash equivalents	\$ 31,112	\$ -	\$ 31,112
Investments	67,145		67,145
Receivables	174,283		174,283
Capital assets, net of accumulated depreciation		137,982	137,982
Total Assets	\$ 272,540	\$ 137,982	\$ 410,522
LIABILITIES			
Accounts payable	\$ 31,649	\$ -	\$ 31,649
Total Liabilities	31,649	-	31,649
FUND BALANCE/NET ASSETS			
Fund balance:			
Unreserved, reported in:			
General Fund	240,891	(240,891)	-
Total Fund Balance	240,891	(240,891)	-
Total Liabilities and Fund Balance	\$ 272,540		
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		137,982	137,982
Unrestricted		240,891	240,891
Total Net Assets		\$ 378,873	\$ 378,873

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

**Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended December 31, 2004**

	General Fund	Adjustments (Note 1)	Statement of Activities
EXPENDITURES/EXPENSES			
General government -culture and recreation:			
Salaries and related benefits	\$ 80,693	\$ -	\$ 80,693
Travel and Convention	3,862		3,862
Operating services	97,717		97,717
Materials and Supplies	11,144		11,144
Depreciation	-	44,967	44,967
Other	6,728	-	6,728
Capital outlay	83,747	(83,747)	-
Total Expenditures/Expenses	283,891	(38,780)	245,111
PROGRAM REVENUES			
Charges for services	7,033		7,033
Net Program Expense			(238,078)
GENERAL REVENUES			
Property taxes	180,855		180,855
State revenue sharing	17,891		17,891
Federal revenue sharing	45		45
State grant	11,441		11,441
Interest earnings	2,705		2,705
Other income	8,341		8,341
Total General Revenues	221,278	-	221,278
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES			
	(55,580)	55,580	-
CHANGE IN NET ASSETS			
		(16,800)	(16,800)
FUND BALANCE/NET ASSETS:			
Beginning of the Year	296,471	-	395,673
End of the Year	\$ 240,891	\$ -	\$ 378,873

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

**Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended December 31, 2003**

	General Fund	Adjustments (Note 1)	Statement of Activities
EXPENDITURES/EXPENSES			
General government - culture and recreation:			
Salaries and related benefits	\$ 77,801	\$ -	\$ 77,801
Travel and Convention	2,199		2,199
Operating services	92,425		92,425
Materials and Supplies	8,798		8,798
Depreciation	-	40,464	40,464
Other	6,631	-	6,631
Capital outlay	41,537	(41,537)	-
Total Expenditures/Expenses	229,391	(1,073)	228,318
PROGRAM REVENUES			
Charges for services	7,608		7,608
Net Program Expense			(220,710)
GENERAL REVENUES			
Property taxes	169,659		169,659
State revenue sharing	18,092		18,092
State grant	11,422		11,422
Interest earnings	3,118		3,118
Other income	8,339		8,339
Total General Revenues	210,630	-	210,630
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES			
	(11,153)	11,153	-
CHANGE IN NET ASSETS			
		(10,080)	(10,080)
FUND BALANCE/NET ASSETS:			
Beginning of the Year	307,624	-	405,753
End of the Year	\$ 296,471	\$ -	\$ 395,673

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

INTRODUCTION

The West Carroll Parish Library was established by the West Carroll Parish Police Jury, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records, and films. The library is governed by a board of control which is appointed by the parish police jury in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without compensation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the West Carroll Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Library's overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the Library's activities; and
- A change in the fund financial statements to focus on the major funds.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the library board of control and the library provides services to all residents of West Carroll Parish, the West Carroll Parish Library was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUNDS

The Library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Library functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the Library's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Library. The following are the Library's governmental funds:

General Fund - The primary operating fund of the Library, it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Library's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Library's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

Fees, fines, and forfeitures are recorded when the library is entitled to the funds. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Library as a whole. These statements include all the financial activities of the Library. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from the Library's users as a fee for services; program revenues reduce the cost of the function to be financed from the Library's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statements B & C) and Statement of Net Assets (Statement A) are as follows:

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

Statements B & C

	2004	2003
Net Change in Fund Balance	\$ (55,580)	\$ (11,153)
Capital Outlay Recorded as Expenditures	83,747	41,537
Depreciation Expense	(44,967)	(40,464)
Change in Net Assets	\$ (16,800)	\$ (10,080)

Statement A

	2004
Fund Balance	\$ 240,891
Reporting of Net Capital Assets	137,982
Net Assets	\$ 378,873

E. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for their intended purposes by the Library, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	Estimated Lives
Books	5 years
Building improvements	15 years
Furniture and equipment	3-15 years
Vehicles	5 years

Approximately 95 per cent of fixed assets are valued at actual historical costs while the remaining 5 per cent are based on estimated historical costs based on the actual costs of like items.

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

F. CASH AND CASH EQUIVALENTS/INVESTMENTS

Under state law, the library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2004, the library has cash and cash equivalents totaling \$31,112, as follows:

Demand deposits	<u>\$31,112</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2004, are secured as follows:

Bank balances	<u>\$102,185</u>
Federal deposit insurance	\$102,185
Pledged securities (uncollateralized)	<u>257,577</u>
Total	<u>\$359,762</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the library, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the library that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the library's name.

The West Carroll Parish Library considers all investments with an original maturity of ninety days or less to be cash equivalents. Those investments with an original maturity greater than ninety days are reported as investments in the financial statements.

Included in the bank balances above are certificates of deposit totaling \$67,145. These certificates of deposit are reported as investments in the accompanying financial statements.

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

G. VACATION AND SICK LEAVE

Employees receive from five to twenty days of vacation leave each year, depending on length of service and professional status. Vacation leave is not cumulative. Sick leave is earned at the rate of one day per month, with a maximum accumulation of eighteen days. Upon employment termination, sick leave will be paid at a rate of one day for every four days accumulated. At December 31, 2004, there are no material accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

H. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. RISK MANAGEMENT

The library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the library maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the two years ended December 31, 2004.

2. LEVIED TAXES

The ad valorem tax millage levied by the library was 4.65 & 4.54 for each of the two years ended December 31, 2003 and 2004, respectively. The authorized millage for the year ended December 31, 2003 and 2004, was 4.25 each year. The current tax expires in 2007. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2004 assessed valuation:

	Assessed Valuation	
	2004	Percent of Total
Trunkline Gas Company	\$13,801,300	25%

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

	Assessed Valuation	
	2004	Percent of Total
Entergy Louisiana, Inc	1,624,230	3%
Centennial Pipeline, LLC.	1,535,980	3%
Regions Bank	1,030,360	2%
Bellsouth Telecommunications	1,067,430	2%
Southern Natural Gas Company	1,035,290	2%
ANR Pipeline Company	942,430	2%
Northeast LA Power Corp.	859,240	2%
Ruffin Building Systems, Inc.	644,200	1%
Louisiana Machinery Co. Inc.	771,950	1%
Total	\$23,312,410	43%

3. RECEIVABLES

The receivables of \$174,283 at December 31, 2004, are as follows:

Taxes - ad valorem	\$162,355
Intergovernmental revenues - state grants - state revenue sharing (net)	11,928
Total	\$174,283

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for each of the two years ended December 31, 2004, follows:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
2003:				
Vehicles	\$64,319			\$64,319
Furniture and equipment	81,543			81,543
Library materials	334,450	\$41,536	(\$10,926)	365,060
Total	\$480,312	\$41,536	(\$10,926)	\$510,922

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

	Balance at January 1,	Additions	Deletions	Balance at December 31,
2004:				
Vehicles	\$64,319			\$64,319
Furniture and equipment	81,543	\$3,000		84,543
Building Improvements	-	43,082		43,082
Library materials	365,060	37,664	(36,234)	366,490
Total	\$510,922	\$83,746	(\$36,234)	\$558,435

5. PENSION PLAN

Substantially all employees of the West Carroll Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2004

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the West Carroll Parish Library is required to contribute at an actuarially determined rate. The current rate is 11.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the West Carroll Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The West Carroll Parish Library's contributions to the System under Plan A for the years ending December 31, 2004, 2003, and 2002, were \$4,794, \$4,747 and \$4,830, respectively, equal to the required contributions for each year.

6. DESIGNATED FUND BALANCE

The West Carroll Parish Library Board of Control has designated \$60,000 of the unreserved fund balance for future building expansion and renovations.

7. LITIGATION AND CLAIMS

At December 31, 2004, the West Carroll Parish Library is not involved in any litigation, nor is it aware of any unasserted claims.

Required Supplemental Information (Part II)

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Over(Under)
	Original	Final		
REVENUES				
Charges for services	\$ 8,000	\$ 7,033	\$ 7,033	\$ -
Property taxes	163,000	163,720	180,855	17,135
State revenue sharing	18,000	18,025	17,891	(134)
Federal revenue sharing	-	-	45	45
State Aid grant	10,000	22,863	11,441	(11,422)
Interest earned	5,000	1,949	2,705	756
Other	7,500	8,341	8,341	-
Total revenues	<u>211,500</u>	<u>221,931</u>	<u>228,311</u>	<u>6,380</u>
EXPENDITURES				
General government-taxation:				
Salaries and related benefits	98,230	89,957	80,693	(9,264)
Travel and Convention	-	-	3,862	3,862
Operating services	71,975	91,874	97,717	5,843
Materials and Supplies	11,000	11,628	11,144	(484)
Other	-	-	6,728	6,728
Capital outlay	30,000	32,180	83,747	51,567
Total expenditures	<u>211,205</u>	<u>225,639</u>	<u>283,891</u>	<u>58,252</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>295</u>	<u>(3,708)</u>	<u>(55,580)</u>	<u>(51,872)</u>
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>296,471</u>	<u>296,471</u>	<u>296,471</u>	<u>-</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>\$ 296,766</u>	<u>\$ 292,763</u>	<u>\$ 240,891</u>	<u>\$ (51,872)</u>

WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Over(Under)
	Original	Final		
REVENUES				
Charges for services	\$ 8,000	\$ 7,609	\$ 7,608	\$ (1)
Property taxes	154,000	179,929	169,659	(10,270)
State revenue sharing	18,500	12,297	18,092	5,795
State Aid grant	11,500	-	11,422	11,422
Interest earned	10,000	2,784	3,118	334
Other	7,500	8,339	8,339	-
Total revenues	<u>209,500</u>	<u>210,958</u>	<u>218,238</u>	<u>7,280</u>
EXPENDITURES				
General government-taxation:				
Salaries and related benefits	94,000	74,007	77,801	3,794
Travel and Convention	-	-	2,199	2,199
Operating services	72,500	85,564	92,425	6,861
Materials and Supplies	11,000	7,689	8,798	1,109
Other	2,500	11,399	6,631	(4,768)
Capital outlay	34,500	40,301	41,537	1,236
Total expenditures	<u>214,500</u>	<u>218,960</u>	<u>229,391</u>	<u>10,431</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(5,000)</u>	<u>(8,002)</u>	<u>(11,153)</u>	<u>(3,151)</u>
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>307,624</u>	<u>307,624</u>	<u>307,624</u>	<u>-</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>\$ 302,624</u>	<u>\$ 299,622</u>	<u>\$ 296,471</u>	<u>\$ (3,151)</u>

WEST CARROLL LIBRARY
Oak Grove, Louisiana

Notes to the Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
For the Years Ended December 31, 2004 and 2003

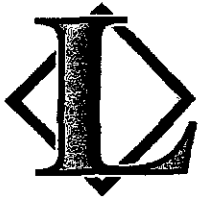
BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the West Carroll Library's office for comments from taxpayers. The budget is then legally adopted by the Library and amended during the year, as necessary. The budget is established and controlled by the Library at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the Library.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the Library.

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
*Government Auditing Standards***

West Carroll Parish Library
Oak Grove, Louisiana

We have audited the basic financial statements of the West Carroll Parish Library, a component unit of the West Carroll Parish Police Jury, as of December 31, 2004, and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the West Carroll Parish Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Carroll Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

West Carroll Parish Library
Oak Grove, Louisiana
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters, etc.

This report is intended solely for the information and use of the Board of Control of the West Carroll Parish Library, management of the West Carroll Parish Library, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little + Associates, LLC

Monroe, Louisiana
June 29, 2005

**WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana**

**Schedule of Findings and Questioned Costs
For the Years Ended December 31, 2004 and 2003**

A. SUMMARY OF AUDIT RESULTS

Financial Statement Audit

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the West Carroll Parish Library.

2. No reportable conditions relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the basic financial statements of the West Carroll Parish Library were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

**WEST CARROLL PARISH LIBRARY
Oak Grove, Louisiana**

**Schedule of Prior Audit Findings
For the Years Ended December 31, 2004 and 2003**

The status of the audit findings reported in the audit for the years ended December 31, 2002 and 2001, is summarized below:

Finding 02-01

Condition Found: The Library failed to adequately monitor its budget resulting in actual expenditures exceeding budgeted expenditures by five percent or more.

Status: No Longer Applicable.